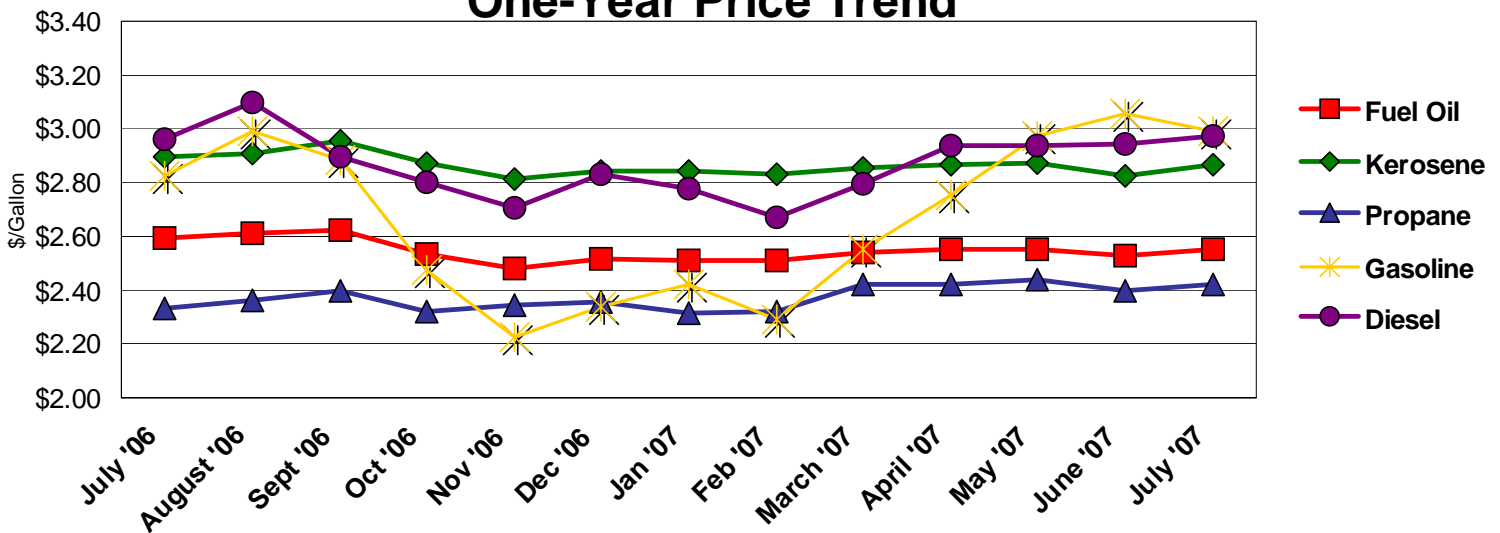


Vermont Fuel Price Report

July 2007

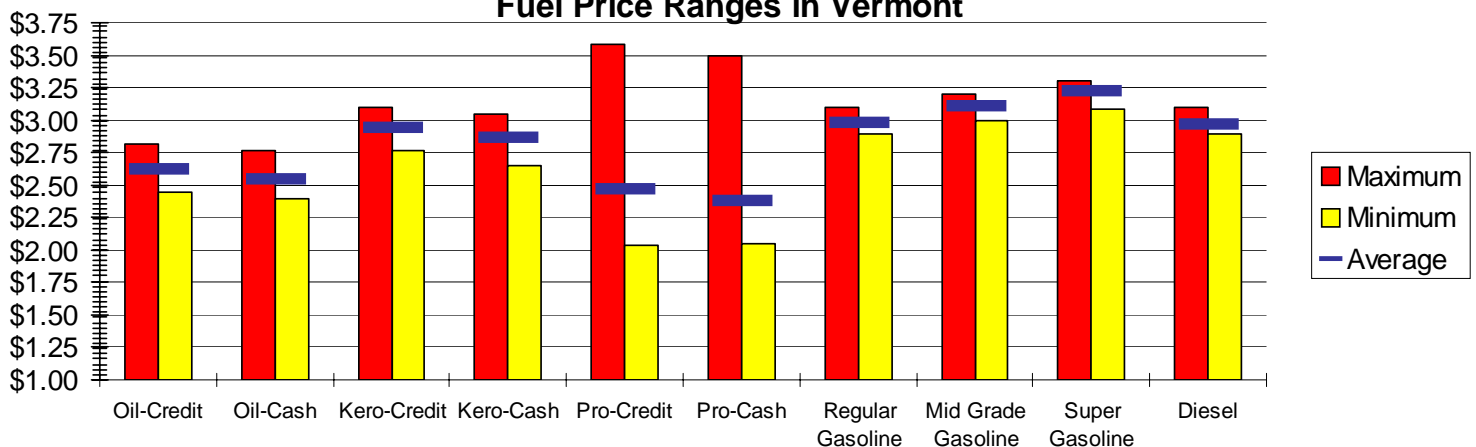
One-Year Price Trend



Vermont Average Retail Petroleum Prices (per gallon)

	July '07	June '07	%change	July '06	%change
No. 2 Fuel Oil	\$2.55	\$2.53	1.03%	\$2.59	-1.45%
Kerosene	\$2.87	\$2.83	1.42%	\$2.90	-0.99%
Propane	\$2.42	\$2.40	1.08%	\$2.33	3.89%
Reg. Unleaded Gasoline	\$2.99	\$3.06	-2.28%	\$2.82	5.87%
Diesel	\$2.98	\$2.94	1.15%	\$2.96	0.43%

Fuel Price Ranges in Vermont



Gasoline and Diesel Prices

The Energy Information Administration (EIA) has reported that as of July 2nd the national average retail price of regular gasoline had decreased for the sixth consecutive week to \$2.96 per gallon. The New England average price was \$2.99 per gallon. The EIA is predicting gasoline prices to average \$3.00 per gallon in July and \$3.07 per gallon in August.

As of July 2nd, the national average retail price of diesel was \$2.83 per gallon and the New England average price was \$2.93.

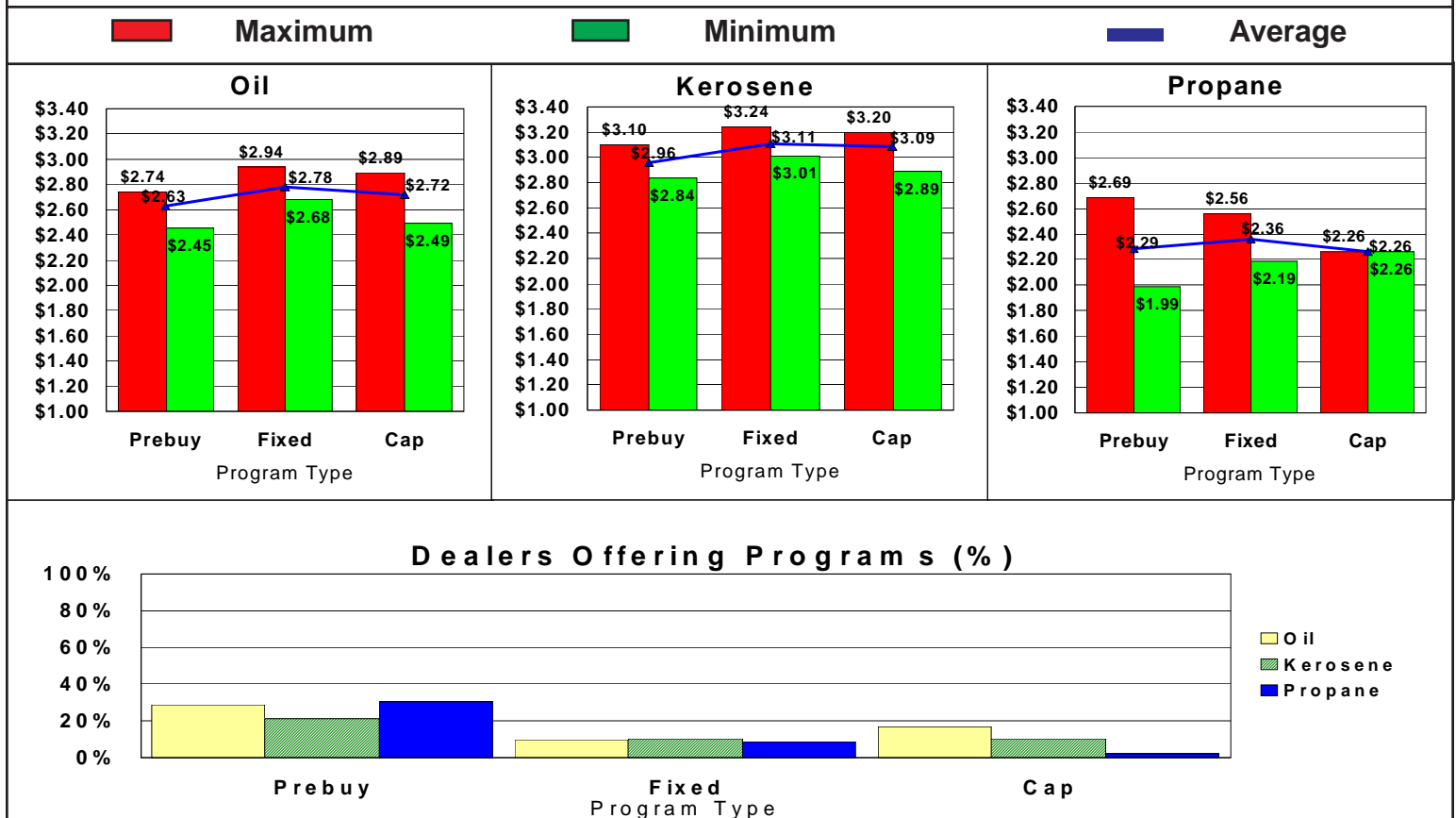
Price Protection Programs

Many fuel dealers offer their customers "price protection" programs. With **"Pre-Buy"** programs customers can purchase a specified volume of fuel at a discounted price by paying for the heating season's fuel in advance. In **"Fixed Price"** programs, a pre-determined price per unit is set for all of the fuel delivered during the heating season. In **"Cap"** programs, the fuel price will not exceed a pre-determined value, and may go down based on market conditions at time of delivery. Cap and Fixed Price programs may be part of "Budget" programs in which the customer agrees to make equal monthly payments, often for 10 to 12 months.

Price protection programs can be beneficial for several reasons. First, they provide a degree of certainty. Customers make commitments to local dealers, who make commitments to their suppliers, who make commitments to the refining industry. This chain of commitment reduces market volatility and increases the ability for market participants to efficiently schedule their resources. Secondly, customers are better able to budget their finances and thus are not caught short during the heating season. Lastly, price protection programs typically save customers money as the costs of buying fuel at the current or "spot" price can add up quickly.

However, price protection programs don't guarantee savings so citizens need to consider their options carefully. For example, during last heating season (October-March) the average price for heating oil was \$2.52, but the average price for heating oil **pre-buy** programs last summer (June-August) was \$2.71. This was the first season in many years that the average retail price ended up being lower than the average pre-buy price.

The charts below show the availability and price per gallon for price protection programs as of **July 2nd**, from a representative sample (approximately 70) Vermont fuel dealers. Many dealers indicated that they would have their programs out at the end of July or early August.



NOTE: The Vermont Fuel Price Report is published monthly by the Vermont Department of Public Service. Prices are collected on or about the first Monday of each month and reflect dealer discounts for cash or self-service, except propane prices, which are an average of the credit and discount price. For more information please contact Kelly Launder at 1-800-642-3281 or (802) 828-4039 or by email at kelly.launder@state.vt.us.